

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of:

Yoshihiro Suzuki et al.

Confirmation No.: 3652

Patent No.: 6,561,716

Art Unit: 3671

Issue Date: May 13, 2003

Shirene Willis Brantley
Senior Petitions Attorney
Office of Petitions

Application No. 09/762,319

For: UNIVERSAL JOINT DEVICE AND METHOD
OF MANUFACTURING THE DEVICE

**RESPONSE TO REQUEST FOR INFORMATION ON
PETITION TO ACCEPT UNAVOIDABLY DELAYED PAYMENT OF
MAINTENANCE FEES IN EXPIRED PATENT**

MS Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

On November 11, 2010 a Petition was filed to accept payment of maintenance fees for U.S. Patent No. 6,561,716 ("the '716 patent") after expiration of the patent, wherein the delay in payment of the maintenance fees was unavoidable. 37 CFR §1.378(b). The petition was based on the assumption that Darby & Darby, the U.S. agent of the patentee, failed to provide MDC, i.e., Thompson IP Management Services, with instructions to pay the fee. In response the Office sent a Request for Information dated March 4, 2011, which was after Darby's office was completely closed and all the files had been transferred or destroyed. Petitioner nevertheless responded on April 5, 2011. However, on May 27, 2011 the Petition was denied. A Request for Reconsideration was filed on July 27, 2011, and a further Request for Information was issued by the Office on August 18, 2011. As a result of the August 18, 2011 Request for Information, the

Petitioner conducted a further investigation and on October 17, 2011 provided the Office with responses to the questions raised in the Request, and the Declarations of Mr. Perry Moy, Ms. Lorie Cindrich and the undersigned, Melvin Garner.

This information in the October 17, 2011 response conclusively established that the failure to pay the maintenance fee was not the fault of the inventor, the assignee, Somic Ishikawa, the assignee's agent Kabasawa & Associates, or Kabasawa's agent Darby & Darby. Rather, the failure was on the part of the maintenance fee service company. See the October 10, 2011 email from Jennifer Marlett, an employee of Thomson IP Management Services, the successor to MDC, to Melvin Garner that states, "Upon further research, it has been identified your "PAY" instructions were not processed correctly due to human error

In a still further Request for Information dated May 14, 2012, the Office requested that the patentee submit information about the internal operation of MDC. In particular, the Office stated that "specific details describing the error and the person who committed the error must be provided. Further, documentation from MDC/Thomson IP Management Services is required."

**Legal Principals That Support Acceptance of This
Late Payment of Maintenance Fee**

Under 35 U.S.C. § 41(b), the Director may accept late payment of a maintenance fee if the delay in payment is shown to have been "unavoidable." To satisfy the "unavoidable" standard, "one must show that he exercised the due care of a reasonably prudent person," *Ray v. Lehman*, 55 F.3d 606, 609 (Fed. Cir. 1995). This legal standard was also addressed in *In re Mattullath*, 38 App. D.C. 497, 514-15 (D.C. App. 1912), which explains the meaning of the word "unavoidable" in the context of delayed maintenance fee payments as follows:

It is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them, in the exercise of this care, to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all the other conditions of good faith and promptness in its ratification being present.

To paraphrase, if a patentee relies upon "means and instrumentalities" that are usually employed by "prudent and careful men in relation to their most important business," and a failure occurs "unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities," such failure may be said to have been "unavoidable" if all other "conditions of good faith and promptness" are present.

Here the assignee Somic Ishikawa and its agent Kabasawa relied in good faith upon these types of trustworthy and reliable means and instrumentalities. In particular, they provided clear instructions to Darby, a firm in business for 110 years, and a firm they could reasonably consider trustworthy and reliable. Further they received confirmation that their instructions to pay the fee had been carried out.

Darby had in place procedures for payment of maintenance fees and a staff dedicated to that process. This staff did carry out the client's instructions and properly notified MDC, a well known and respected agency dedicated to the payment of such fees. It was a human error by the staff of MDC that caused a failure to pay the fee.

Referring to MDC, the Office now states that:

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that: (1) the error was the cause of the delay at issue; (2) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; (3) and the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. See MPEP 711.03(c)(III)(C)(2). [It is believed that the section is actually 711.03(c)(II)(C)(2)]

An adequate showing requires statements by all persons with direct knowledge of the circumstances surrounding the delay, setting forth the facts, as they know them. Petitioner must supply a thorough explanation of the docketing and call-up system in use and must identify the type of records kept and the person

responsible for the maintenance of the system. This showing must include copies of mail ledger, docket sheets, and such other records as may exist which would substantiate an error in docketing, and include an indication as to why the system failed in this instance to provide adequate notice that the maintenance fee should have been paid.

Petitioner must also supply information regarding the training provided to the personnel responsible for the docketing error, degree of supervision of their work, examples of other work functions carried out, and checks on the described work which were used to assure proper execution of assigned tasks.

Clearly this part of the MPEP is referring to the actions of the employees of the petitioner. Rather than being the petitioner, MDC should be considered "other means and instrumentalities" that are usually employed by "prudent and careful men in relation to their most important business." Thus, the granting or denial of this petition should not depend on the internal operations of a maintenance fee service company that is relied upon by the profession to make such payments, any more than it should rely upon the internal operations of the Post Office. The Petitioner clearly has no knowledge of or control over the internal operations of MDC. Thus, it is respectfully submitted that no information from MDC should be required and the petition should be granted.

MDC Information

Despite the Petitioner's position that information from MDC is not required for a favorable ruling on the petition, the Petitioner has prevailed upon MDC to provide the requested information and it is enclosed herewith.

The undersigned presents this information on information and belief, because it is information known only to MDC. According to MDC in the following numbered paragraphs:

1. The delay was unavoidable for the reasons previously stated and stated in the attached Declarations. The attached Declarations show:

- (a) The error was the cause of the delay at issue.
- (b) There was a place in the business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance.
- (c) The employee was sufficiently trained and was experienced with regard to the function and routine for its performance.
- (d) That reliance on that employee represented the exercise of due care.

2. The error which caused the failure to timely pay the maintenance fee was a change made in MDC's computer data base on August 24, 2006 by Amanda Gies, now Amanda Stover. Please see the Nalepka, Stover and Darragh Declarations and Exhibits 101, 102 and 103.

3. IP Management Services (IPMS) provides a service for clients to renew intellectual property rights, in particular patents and design in many countries, including the United States. IPMS clients include corporations and patent law firms. Many clients entrust the renewal of their entire intellectual property portfolio including their patents and designs in many countries around the world, to IPMS. The requirements in each jurisdiction can vary. In many countries renewals are payable annually. In some countries like the United States renewals for patents are payable for three yearly periods.

4. IPMS handles many hundreds of thousands of renewals annually around the world. For example, for the fourth quarter of 2011 (October, November and December) IPMS instructed over 7,400 renewal payments for US patents, alone.

5. The relevant data sets for the payment of the annuities are provided by IPMS clients. These data sets are administered on their own responsibility using either a software package obtained from our company (IP Manager, IP Master, PC Master), or from another software product. In this case, Darby & Darby was using PATTSY, which is a third party software product.

6. Before every quarter, maintenance fee payment instructions in the form of written instructions on paper and data sets on software to instruct which maintenance fees TO PAY and which NOT TO PAY. The data sets with TO PAY and NOT TO PAY instructions are automatically entered in an IPMS internal program database.

7. After the data is entered, the entries in the database are compared with the written instructions on the papers by a sufficiently trained and experienced checker, who is authorized to change the TO PAY and NOT TO PAY codes in the database in case the database codes do not agree with the instructions written on paper and the prepaid maintenance fees. A follow-up inspector checks to see that any changes the checker made to the database are based on the written instructions.

8. That system was in place since before 2006 and is currently in place and has been relied on. Further, that business routine for performing the clerical function could reasonably be and has been relied upon to avoid errors in its performance. Please see the Nalepka Declaration.

9. In 2006, the employee, Amanda Gies, now Amanda Stover, who made the error was sufficiently trained and was experienced with regard to the function and routine for its performance. Please see the Declarations of Darragh, Nalepka, Kesek and Stover. The reliance on that trained and experienced employee represented the exercise of due care. The training and reliance on Amanda Gies had worked without error up to August 24, 2006 and has worked since that time on many tens of thousands of patent maintenance fee payments. The one error that caused the present delay was an aberration.

10. Amanda Gies is now, and was as of August 24, 2006, a well trained, valued, reliable and trusted employee, and the reliance on that trained, experienced and trusted employee showed the exercise of due care.

11. The business routine has worked successfully in payments of more than one hundred thousand patent maintenance fees by IPMS. More than 7,400 patent maintenance fees were paid during the fourth quarter of 2011 using the same business routine. Companies and law firms use the service for its reliability.

12. The patent owner relied upon a law firm (Darby & Darby) that relied upon IPMS to make the maintenance fee payment. The law firm provided written instructions as well as a compatible data set. See the attached Moy letter of Exhibit 102. Both had the correct information to pay the maintenance fee. The correct information was entered in the computer records, which were correctly updated electronically using the provided data set.

13. The employee, Ms. Gies, incorrectly changed the correct computer payment instructions to incorrect instructions on August 24, 2006. The error by Ms. Gies, now Mrs. Stover, was inadvertently caused by looking at the written document incorrectly.

14. The reliance on the business routine and the reliable employee who was well trained and experienced were in exercise of due care.

15. Immediately after the error was found, a petition to accept a delayed payment of the 2006 maintenance fee was filed.

16. In summary:

The 2006 error was the cause of the delay. Please see the four Nalepka, Stover, Kesek and Darragh Declarations.

The business routine in 2006 was and now is reasonably relied on to avoid errors in many thousands of patent maintenance fee payments. Please see the Nalepka Declaration.

At the time of the error, the employee, Amanda Gies (now Amanda Stover) was sufficiently trained and experienced with the business routine. Please see the Darragh Declaration and the Stover Declaration.

The reliance on that employee was an exercise of due care. Please see the Darragh, Kesek and Nalepka Declarations.

Certainly on the basis of this additional information, the petition should be granted and the patent reinstated.

Conclusion

Given the foregoing, the patentee hereby respectfully submits that the entire delay in paying the first (fourth year) maintenance fee for the '716 patent was unavoidable because it resulted from an error by an employee of MDC, a firm in which the patentee, the patentee's agent in Japan (Kabasawa & Associates) and the patentee's agent in the U.S. (Darby & Darby) could reasonably have trusted. Further, MDC has provided information as to how the error occurred and its internal operations for preventing such errors.

If the U.S. Patent and Trademark Office determines that any additional fees are required, the Commissioner is hereby authorized and requested to charge any deficiency owed, and/or credit any refund due, to Deposit Account No. 50-4570.

Dated: July 9, 2012

Respectfully submitted,

By 

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